

Chapter 240 Acts of 2010

This is a summary of what the Chapter 240 Acts of 2010, Sections 99 – 104 changes mean in regards to Chapter 40Q.

1. The adjustment factor is now defined.
2. A project stabilization date can be defined in the development program. If defined, the 30 year DIF District designation will start from that date rather than the date the DIF District and Program are approved by the EACC.
3. Industrial parcels are now included in the inflation factor calculation and residential parcels are excluded if there is no residential property in the district.
4. The use of the inflation factor in calculating the tax increment is now optional through the use of an election statement.
5. The original assessed value definition has been changed to eliminate increases and decreases to the original assessed value because of changes in the exempt status of parcels in the district, whether or not the original value is subject to inflation adjustments.

Chapter 240 Acts of 2010 was approved on August 5, 2010. Sections 99 – 104 of the bill amended Chapter 40Q. These sections can be found below.

SECTION 99. Section 1 of chapter 40Q of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by striking out the definition of “Base date” and inserting in place thereof the following 2 definitions:-

“Adjustment factor”, for each fiscal year of the term of a given development program, the product of the inflation factors for each fiscal year subsequent to the first fiscal year immediately following the base date.

“Base date”, the last assessment date of the real property tax immediately preceding the creation of the district.

SECTION 100. The definition of “Development program” in said section 1 of said chapter 40Q, as so appearing, is hereby amended by striking out clause (8) and inserting in place thereof the following clause:-

(8) the duration of the program which shall not exceed the longer of: (i) 30 years from the date of designation of the district; or (ii) 30 years from project stabilization, as defined in the development program.

SECTION 101. Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by striking out the definition of “Inflation factor” and inserting in place thereof the following definition:-

“Inflation factor”, a ratio: (1) the numerator of which shall be the total assessed value of all parcels of residential, commercial and industrial real estate that are assessed at full and fair cash value for the current fiscal year minus the new growth adjustment factor for the current fiscal year attributable to the residential, commercial and industrial real estate as determined by the

commissioner of revenue under paragraph (f) of section 21C of chapter 59; and (2) the denominator of which shall be the total assessed value for the preceding fiscal year of all the parcels included in the numerator; provided, however, the ratio shall not be less than 1; provided, further, that if the proposed Invested Revenue District does not include residential property, the assessed value attributable to residential property shall not be included in either the numerator or the denominator in calculating the inflation factor.

SECTION 102. Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by striking out, in line 59, the word “and”.

SECTION 103. Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by inserting after the word “located”, in line 61, the following clause:- ; and (8) if applicable, a statement of the city or town electing that the original assessed value not be increased by the adjustment factor.

SECTION 104. Said section 1 of said chapter 40Q, as so appearing, is hereby further amended by striking out the definition of “Original assessed value” and inserting in place thereof the following definition:-

“Original assessed value”, the aggregate assessed value of the invested revenue district as of the base date; provided, however, that if the city or town has not included an election statement in its investment district development program, the original assessed value in any year shall be equal to the original assessed value as of the base date multiplied by the adjustment factor for that fiscal year.